GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:3462
ANSWERED ON:18.03.2015
CONSTRUCTION PROJECTS
Venkatesh Babu Shri T.G.

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether the National Buildings Construction Corporation (NBCC) has started various construction projects of the Union Government in the recent years.

(b) if so, the details thereof for the last three years;

(c) whether these projects adhered to time schedule or are delayed leading to huge cost escalation;

(d) If, so the details thereof and its impact on future projects; and

(e) the steps taken by the Government to expand the ambit of NBCC in the coming years and ensure quality and affordability of the projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI BABUL SUPRIYO)

(a) :Yes, Madam.

(b) :The details of projects undertaken during the last three years are enclosed at Annex-1.

(c) :NBCC has informed that they pay attention to time schedule during execution of all construction projects. In case of delay from clients in handing over of site, site hindrances/encroachments, land acquisition issues, delay in payments, non-availability of funds, nonÂ¬availability of environmental clearances/statutory approvals etc., NBCC seeks extension of time from the clients. Cost escalation is applicable to the extent provided in the contract with various clients.

(d) :Does not arise.

(e) :NBCC has ventured into brown field projects of redevelopment of old government colonies e,g. Re-deveiopment of New Moti Bagh colony and East Kidwai Nagar. A wholly owned subsidiary company 'NBCC Services Limited with its headquarters in New Delhi has been formed with objective to undertake and execute maintenance and internal renovation works of major projects completed by NBCC. This will extend end-to-end services to its customers. In order to ensure quality of the projects, due consideration is given at the time of Notice Inviting Tender (NST) to the specifications and makes of various items to be purchased. Further, quality assurance during project initiation, quality control and regular quality audits during the project execution ensure quality in the project delivery.

In order to ensure affordability to the aspirants for all projects in Real Estate where NBCC procures land and develops the properties, NBCC keeps Internal Rate of Return (IRR) as 15% for Residential projects and 18% for Commercial projects.